



## HERKIMER LOCAL DEVELOPMENT CORPORATION

### CONFLICTS OF INTEREST POLICY

**SECTION 1. PURPOSE AND AUTHORITY.** The purpose of this Policy is to implement Section 883 of Title One of Article 18-A of the General Municipal Law (the “Act”), which provides that Article 18 of the General Municipal Law (the “Conflict of Interest Law”) applies to all members, officers and employees of Herkimer Local Development Corporation (the “Corporation”).

**SECTION 2. DEFINITIONS.** (A) The definitions contained in Section 800 of the Conflict of Interest Law apply to this Policy.

(B) Generally, a conflict of interest is a situation in which the financial, familiar, or personal interests of a director or employee of the Corporation come into actual or perceived conflict with their duties and responsibilities to the Corporation. Perceived conflicts of interest are situations where there is the appearance that a director or employee can personally benefit from actions or decisions made in their official capacity, or where a director or employee may be influenced to act in a manner that does not represent the best interests of the Corporation. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a director or employee may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for purposes of this Policy.

**SECTION 3. CONFLICTS OF INTEREST.** (A) General Rule. Except as authorized by Section 802 of the Conflict of Interest Law:

(1) No member, officer or employee of the Corporation shall have an interest in any contract with the Corporation when such member, officer or employee, either individually or as a member of a board, has the power or duty to:

(a) negotiate, prepare, authorize or approve the contract or authorize or approve payment thereunder;

(b) audit bills or claims under the contract; or

(c) appoint an officer or employee who has any of the powers or duties set forth above.

(2) No chief fiscal officer, treasurer, or his or her deputy or employee, of the Corporation shall have an interest in a bank or trust company that is designated as a depository, paying agent, registration agent or for investment of funds of the Corporation.

(B) Disclosure. Except as provided in subsection (C) below, any member, officer or employee of the Corporation who has, will have, or later acquires an interest in any actual or proposed contract with the Corporation shall publicly disclose the nature and extent of such interest in writing to the members of the Corporation as soon as he or she has knowledge of such actual or prospective interest. Such written

disclosure shall be set forth in and made part of the official record of the proceedings of the Corporation. Once disclosure has been made with respect to an interest in a contract with a particular person, firm, corporation or association, no further disclosures are required by such member, officer or employee with respect to additional contracts with the same party during the remainder of the fiscal year.

(C) Disclosure Not Required. Pursuant to Section 803(2) of the Conflict of Interest Law, the disclosure required in subsection (B) above is not required in the case of an interest in a contract described in Section 802(2) of the Conflict of Interest Law.

(D) Recusal and Abstention. No director or employee of the Corporation may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting thereon, when he or she knows or has reason to know that a conflict of interest exists. Directors and/or employees must recuse or abstain, as applicable, from deliberations, votes, or internal discussion on matters which could give rise to a conflict of interest, and are prohibited from attempting to influence other directors or employees in the deliberation and voting on such matter.

(E) Resignation. The directors and employees of the Corporation acknowledge and agree that, pursuant to the Conflict of Interest Law, recusal and abstention do not cure a conflict of interest and that, in some instances, the director or employee may be required to resign one of the positions that is creating the conflict of interest. Counsel to the Corporation will be available to provide guidance on these matters.

(F) Penalties for Violations. Pursuant to Section 805 of the Conflict of Interest Law, any officer or employee of the Corporation who willfully and knowingly violates the foregoing provisions of the Conflict of Interest Law, may be guilty of a misdemeanor. Furthermore, pursuant to Section 804 of the Conflict of Interest Law, any contract that is willfully entered into by or with the Corporation in which there is an interest prohibited by the Conflict of Interest Law shall be null, void and wholly unenforceable.

**SECTION 4. PROHIBITED ACTIONS.** (A) General. Pursuant to Section 805-a of the Conflict of Interest Law, no member, officer or employee of the Corporation shall:

(1) either directly or indirectly, solicit, accept or receive any gift having a value of seventy-five (75) dollars or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended as a reward for any official action on his or her part, or that it was intended to or could reasonably be expected to influence him or her in the performance of his or her official duties;

(2) disclose confidential information acquired in the course of his or her official duties or use such information to further his or her personal interests;

(3) receive or enter into any express or implied agreement for compensation for services to be rendered in relation to any matter before the Corporation; or

(4) receive or enter into any express or implied agreement for compensation for service to be rendered in relation to any matter before the Corporation whereby his or her compensation is to be dependent or contingent upon any action by such Corporation with respect to that matter; provided, however, that this paragraph shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.

(B) Penalty for Violation. Pursuant to Section 805-a of the Conflict of Interest Law, any person who shall knowingly and intentionally violate the Conflict of Interest Law may be fined, suspended or removed from office or employment in the manner provided by law.

**SECTION 5. DETERMINATION OF CONFLICT OF INTEREST.** The Governance Committee and/or Ethics Officer of the Corporation shall advise any individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer of the Corporation shall seek guidance from counsel to the Corporation regarding the determination of a conflict of interest.

**SECTION 6. POSTING AND AVAILABILITY.** (A) The Chief Executive Officer of the Corporation shall have a copy of the Conflict of Interest Law and of this Policy posted in the office of the Corporation in a place which is conspicuous to the officers, members and employees of the Corporation.

(B) All Directors and employees of the Corporation should be provided with this Policy upon commencement of employment or appointment and shall be required to acknowledge that they have read, understand and are in compliance with the terms of this Policy. Directors and employees should review on an ongoing basis circumstances that constitute a conflict of interest or the appearance of a conflict of interest, abide by this Policy and seek guidance when necessary and appropriate. This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest, including, but not limited, the Conflict of Interest Law.

**SECTION 7. MISCELLANEOUS PROVISIONS.** (A) [Reserved.]

(B) Compensation. Pursuant to Section 858-a(1) of the Act, the compensation of an officer or full time employee of the Corporation (but not including part time employees or consultants, including accountants, attorneys and bond counsel to the Corporation) shall not be contingent on the granting of financial assistance by the Corporation.

**Adopted: January 30, 2024 and amended February 27, 2024**